

# Harbours Committee

## 8<sup>th</sup> December 2021

### Harbours Budget, Fees and Charges 2022/2023

#### For Decision

**Portfolio Holder:** Cllr R Bryan, Highways, Travel and Environment

**Local Councillor(s):** **All Councillors**

**Executive Director:** J Sellgren, Executive Director of Place

Report Author: Jamie Joyce, Claire Connolly (Weymouth), James Radcliffe (Bridport and Lyme Regis)

Title: Harbour Masters

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**Report Status:** Public

**Recommendation:** To approve the following related to budget requirements for the Harbours' Budgets for 2022/23 including:

1. Approve the fees and charges for 2022/23 for Weymouth Harbour
2. Approve the Asset Management Plan for 2022/23 for Weymouth Harbour subject to a mid-year review
3. Approve the fees and charges for 2022/23 for Bridport and Lyme Regis Harbours
4. Recommend to Full Council the budget request for 2022/23 for Weymouth Harbour.
5. Recommend to Full Council the budget request for 2022/23 for Bridport Harbour.
6. Recommend to Full Council the budget request for 2022/23 for Lyme Regis Harbour.

## **Reason for Recommendation:**

The Harbours Committee has the responsibility for the harbour finances within a budget set by the Full Council.

### **1. Executive Summary**

The purpose of the report is to set out the budget requirement for the Harbour Revenue Budgets for Weymouth, Bridport and Lyme Regis Harbours for 2022/23 and beyond. This requirement includes fees and charges for all Harbours and the Asset Management Plan Improvements for Weymouth

### **2. Financial Implications**

The report covers the harbour budgets.

### **3. Well-being and Health Implications**

The Harbours' Budgets fund items that have implications for voluntary organisations, community safety and physical activity. It is recognised that looking after the Harbour infrastructure is vital for the safe and efficient use of the Harbour for these purposes. The implications are considered for individual items when funding commitment is being approved.

### **4. Climate implications**

The Harbours' Budget funds items that have implications for sustainability and climate change. In utilising future budgets every effort will be made where possible to consider how carbon output can be minimised and operations more sustainable.

### **5. Other Implications**

Harbour issues are subject to regular consultation with customers, the Harbour Consultative Groups and the Harbours Committee.

The harbours' accounts form part of the Council's overall Statement of Accounts, which is considered and approved by the Audit Committee

### **6. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk:           Medium  
Residual Risk:         Medium

The Harbours' budget monitoring and regular reporting to the Harbours Committee helps manage the risks of under or overspending the budget. Many items of expenditure have a link to safety of customers and the general public.

## **7. Equalities Impact Assessment**

There are no equalities implications arising from this report

## **8. Weymouth Harbour Fees and Charges**

- 8.1 Weymouth Harbour fees and charges have been benchmarked against seven harbours and marinas geographically close to Weymouth and who offer similar services. This exercise demonstrated that Weymouth Harbour fees are competitive. The annual berthing packages for marina berths represent a flexible and good value package. Whilst the benchmarking provided a good starting point with regard to raw data for prices, we have also taken into account the differing facilities and services that the other harbours offer and historic price increases when considering Weymouth's pricing structure. We need to ensure we have confidence that any price increase reflects the service provision and facilities on offer.
- 8.2 Dorset Councils Corporate minimum expectation for price increases is 2.5%. This can be higher where there is evidence and justification for this.
- 8.3 The recommendation for 2022/23 fees and charges, in general terms, is an increase by 3% for annual berth holders and an increase of 10% for visiting commercial and recreational fees. This will ensure the harbour remains competitively priced, encompass rises in service costs and ensure continuous improvement in facilities.
- 8.4 It is recommended that due to the volatility of utility prices that a caveat be written within the scale of charges, that these prices will be subject to change, should supply costs change. A change in price is expected on 1 October each year.
- 8.5 The scale of charges has been rationalised to meet the emerging trends of our customers and to simplify our pricing. This will also reduce the workload placed on staff when trying to calculate multiple pricing elements for a single transaction.
- 8.6 There is also a recommendation to introduce charges in relation to deployment of oil spill response equipment, so that these can be re-charged to customers or insurance companies in the event of an incident.
- 8.7 A full set of proposed changes to fees and charges for Weymouth Harbour can be found at appendix 1 for approval.

## 9. Asset Management Plan Improvements Weymouth Harbour Budget:

9.1 Below is a list of planned in-year projects for 2022/23 for approval. The programme of works is an extract from the 25-year Harbour Asset Management Plan.

9.2 Careful consideration of the harbour's assets is key to the financial success of the harbour and to protect and improve income. This is continually assessed both in the short and long term to review how assets are being used, to maximise the life of items and to review the priorities.

9.3 The projects for 2022/23 are to be funded as follows:

- £330,000 from harbour reserves
- £139,250 from revenue budgets

Weymouth Harbour Asset Management Plan: In Year spend 2022/23					
Item	Estimated cost	Project Type	Procurement route	Internal staff input	Funding Source
Port Traffic Signal: refurbish mast and replace control cabinet	£3,250	A, B, C1	P2	M	X
Cargo stage works (following relocation of FLQ): To include works to crane removal, resurfacing, fencing, benches	£51,000	A, B, C11	P2	M	X
Provision of local traffic service and weather station	£25,000	A, B, C1	P2	M	X
New oil spill provisions	£10,000	A,B	P2	M	X
Replace Pleasure Pier railings	£30,000	A,B,C1	P2	M	X
Works to Pleasure Pier Buildings	£20,000	A,B,C1	P2	M	X
Works to be funded from revenue budgets	<b>£139,250</b>				
Maintenance dredging	£50,000	A, B, C1, C11	P2	H	Y
Pontoon replacement for visiting vessels No 4 berth - Custom House Quay	£280,000	A, B, C1, C11	P2	H	Y
Works to be funded from Harbour Reserves	<b>£330,000</b>				
<b>TOTAL</b>	<b>£469,250</b>				

### Project Type:

Type A	Normal Harbour Operations
Type B	Safe and Legal
Type C 1	Improved Service to customers - break even
Type C 11	Improved Service to customers - profit

### Procurement:

Type P1	In-house resources only
Type P2	External resource needed
Internal staff input	High, Medium, Low

### Funding

X	Revenue budget
Y	Harbour reserve
Z	Other (Grant funding, Corporate budget)

## 10. Weymouth Harbour Budget

10.1 The 2022/23 budgets have been set based on current business reflecting mainly operational status quo. 2022 and beyond will see many welcomed significant operational changes for Weymouth. The key areas listed below have not been included in this current round of budget estimates but they will impact on future budget planning:

- A new harbours strategy for all three harbours is currently being finalised. Once approved this will guide the future use of budgets, predict potential changes in income and refocus priorities for the future.
- The Quayside Regeneration Project will impact on many aspects of the harbour budget; these will become clearer as the project matures and evolves.

10.2 Other factors and assumptions are as follows:

- Proposed changes to fees and charges as set out in this report are approved
- The Asset Management Plan In-year spend is approved
- Increased staffing levels and training to ensure that the harbour team can comply with the Port Marine Safety Code effectively and to improve on service delivery
- Expenditure previously funded from Corporate budgets has been included in estimates: Pilots Pension Deficit and Employees Superannuation deficit
- Insurance and energy costs expected to rise, included is a 10% increase
- Investment in marina facilities with an increased budget to allow for an improved response to repair of defects and response maintenance
- Savings on contracts re sale of pilot vessel and reduced number of buildings in the commercial area
- Termination of a garage lease considered surplus to requirements
- Occupancy rates for marina berthing remain stable
- Numbers of visiting leisure craft based on a 3-year average (excluding 2020 Covid year)
- There has been no adjustment made for any future impact on any restrictions for Covid.

10.3 The financial picture for Weymouth Harbour has improved and can now predict an operational budget that is forecast to return a surplus. The budget summary is at appendix 2. However, there is still on-going pressure on the harbour budgets and the reserve balance; the reserves are fully committed to fund future pontoon replacement schemes.

- 10.4 The Harbour Revision Order 2021 (HRO) for Weymouth Harbour came into effect on 17th February 2021, accounting changes are implemented from 1st April 2021 as a result. The HRO has the effect of drawing a line geographically around the harbour area and stating that financial transactions within that area should be reflected initially in the harbour account (rather than in the accounts of other council services)
- 10.5 The HRO clarify the car parks which are located inside the harbour estate. The income generated by these car parks is required to be used for harbour purposes. The net income generated by the car parks will be transferred to the harbours to assist with harbour expenditure. Finance and Parking Services have provided an update on forecast budgets which is shown at appendix 2.
- 10.6 Pleasure Pier Reserves – there is an historic allocation of £20,000 per annum to fund basic maintenance to the Pleasure Pier, with the main aim to maintain the structure so that it can still be used for the purposes of berthing small to medium sized vessels and for members of the public to walk safely along the top. The last major works were undertaken in 2016 to the value of about £65,000. The current balance of the reserves is £86,551. The intention for 2022 is to engage with the Council's engineering team to consider the condition and use of the Pleasure Pier to confirm that the current level of contribution is appropriate to fund future works. Any future annual costs would need to be funded from harbour reserves.

## **11. Bridport and Lyme Regis Harbours Fees and Charges**

- 11.1 Bridport & Lyme Regis fees and charges have been benchmarked against five harbours who offer similar services.
- 11.2 Dorset Councils Corporate minimum expectation for price increases is 2.5%. This can be higher where there is evidence and justification for this.
- 11.3 The recommendation for 2022/23 fees and charges, in general terms, is an increase by 3% on leisure moorings, 5% on commercial moorings, 5% on commercial activity such as staff assistance and the harbour engineer, 0% on launching fees and harbour use. This will ensure the harbour remains competitively priced.
- 11.4 A full set of proposed changes to fees and charges for Bridport & Lyme Regis can be found at appendix 3 for approval.

## **12. Bridport Harbours Budget**

- 12.1 The Bridport Harbour budget monitoring figures are given at Appendix 5.
- 12.2 Expenditure Overall - £5,407 (A)

12.3 The main variances to the budget predictions are as follows:

- Pay Related Cost - The Bridport Harbour Master is covering both Bridport and Lyme Regis Harbours creating a saving in pay cost for both harbours.
- Premises Related Cost – Higher electricity cost and rents
- Transport Cost – higher JCB repair cost due to age of machine, this has now been replaced
- Supplies & Services – Increase cost in materials and PPE & cost of Marico Marine.

12.4 Revenue Budget Income - £9,401 (F)

- Increase in car park income
- Increase in shop sales
- Increase in overnight stays
- Bad Debt provision offsetting additional income

12.5 Reserve Movements

- The budgeted transfer to reserves is currently predicted to be £29,294

### **13. Lyme Regis Budget**

13.1 The Lyme Regis budget monitoring figures are given at Appendix 4.

13.2 Expenditure Overall - £16,808 (A)

13.3 The main variances to the budget predictions are as follows:

- Pay Related Cost - The Bridport Harbour Master is covering both Bridport and Lyme Regis Harbours creating a saving in pay cost for both harbours.
- Transport Cost – The boat lifter required refurbishment, this included replacing the hydraulic rams and making modifications to fit the new ones external to the lifting arms.
- The JCB has had major electrical faults making diagnosis difficult, this has now been rectified.
- Supplies & Services – cost of Marico Marine and PPE
- Private Contractors - The cost of refurbishment to the office to convert the space into the shop.

13.4 Revenue Budget Income - £59,606

- Increase in car park income
- New shop income

- Increase use of Kayak storage
- Increase in Visiting vessels
- Warner Bros Filming “Wonka”

#### 13.5 Reserve Movements

- The budgeted transfer to reserves is currently predicted to be £42,799

#### 14. **Appendices**

- Appendix 1 Weymouth Harbour Proposed Fees and Charges
- Appendix 2 Weymouth Harbour Financial Summary
- Appendix 3 Bridport and Lyme Regis Harbour Proposed Fees and Charges
- Appendix 5 Bridport Harbour Financial Summary
- Appendix 4 Lyme Regis Harbour Financial Summary

#### 15. **Background Papers**

None